



MAINE STEP-UP PROGRAM AGREEMENT

Leadership Track

Naturally Potatoes

PURPOSE

The greatest challenge of the 21st century will be using the earth's resources in sustainable ways to meet human needs. Through its own natural cycles, the earth provides clean water and air, fertile soils, and a myriad of plants and animals, all of which are essential to sustain life. We must find ways of producing products and providing services that model nature's cyclical design and sustain its productive capacities. In fact, where we can we must restore those capacities diminished by past misuse.

Environmental regulatory programs of the last 30 years have done much to clean and protect our waters, air and land. Now, new approaches to environmental protection are needed if continuous improvements are to be realized.

The Maine Department of Environmental Protection and Naturally Potatoes have agreed to explore new ways of protecting the environment that go beyond regulatory compliance. Naturally Potatoes commits to continuously improve its business practices to protect people and the environment. Naturally Potatoes will publicly report its progress to inspire other businesses to seek improvement in their own environmental performances.

The Maine Department of Environmental Protection commits to vigorously assist Naturally Potatoes on its "climb up the mountain"- accepting the challenge- to find environmentally sustainable ways of doing business. The Goals Toward Sustainability set forth in Section 2.b. in this agreement are for the "Pathways" described in the "Climbing the Mountain" diagram found in the Department's A Guide for Your Business: Smart Production and the Maine STEP-UP Program.

1. INTRODUCTION

Naturally Potatoes is a young company in the refrigerated potato market, starting operation of a 52,000 square foot facility in September 1997. It has the capacity to produce 30,000 pounds of refrigerated potato products an hour or 180 million pounds annually. The processing technology used extends the refrigerated shelf life of fresh cut potatoes and adds value for both consumers and producers. The products produced are sliced, diced, and mashed potatoes sold to the food service industry and the retail consumer market. Raw product is locally grown and supplied. The processing plant is a state of the art facility. Being a new facility most of the equipment is computer operated and very efficient, but there is always room for improvement. Process specifics can be found on Naturally Potatoes web-site at www.natspuds.com

Naturally Potatoes (NP) commits to working with the Department of Environmental Protection (DEP) in their Maine STEP-UP Program to move towards sustainable manufacturing goals. DEP will assist NP in reaching these goals by providing technical assistance and recognition for achievements made by NP during the three-year term of the agreement.

2. PERFORMANCE COMMITMENTS

A. Environmental Business Practices

- **Compliance Status** – NP has a State of Maine wastewater discharge license #W007949-42-A-N
- **Environmental Management Pathway to Sustainability** - NP will institute an Environmental Management System (EMS) to address the impacts of all its stand alone environmental practices at its potato processing facility in Mars Hill, Maine by September 2005. An Environmental Workgroup made up of employees comprised of various associates at all levels will implement and maintain the EMS. The purpose of the EMS is to: ensure that all environmental regulatory requirements are met and to ensure that the environmental policy is understood, implemented, and maintained at all levels in the organization. NP will assess the magnitude and significance of all environmental aspects associated with the company's activities and set clear environmental objectives and targets with continuous goals for improvement with DEP help.
- **Workers and Community Pathway to Sustainability** - NP will manage the company's activities in ways that will reduce its impact on the environment. As such, environmental considerations, responsibilities, and accountability will be prime concerns for all NP

employees. All employees will receive training to enhance and reinforce NP's vision of sustainability starting within thirty days of the signing of the agreement and to continue through out the agreement period.

NP will form a Community Advisory Committee made up of community leaders, citizens and potato industry representatives and environmental interests. The advisory group will meet every six months. NP will report progress on the STEP-UP agreement goals and seek feedback and input.

B. Goals Toward Sustainability

- **Energy Pathway to Sustainability** – The NP Energy Pathway consists of two areas: energy conservation in the plant and reduction in energy used to treat wastewater at the NP wastewater treatment facility. Conservation will be an ongoing process in the plant. Future energy conservation efforts will focus on actions such as turning lights off when finished in work areas, installing high-efficient light fixtures, and increasing the amount of product processed during the hours the plant is operating to increase efficiency of energy use.

The second area where energy conservation gains will be made is through a more efficient operation of the wastewater treatment system. This will be accomplished with the installation a new type of screen that will filter the water in the plant before it goes to the waste system. This screen system will be installed in the fall of 2003. The benefits will be 50% removal of suspended solids, 20-30% removal of Biochemical Oxygen Demand, and the recycling of up to 20% of the fresh water. This will result in a projected 10% reduction in electricity use. NP will explore the reduction of consumptive power and the reduction of emissions using renewable energy sources. The reduction in electricity used will be compared against a baseline of electricity used in 2003.

- **Air and Water Emissions Pathway to Sustainability** – As stated above, the new screen filter system will reduce the amount of solids discharged from the potato processing system by approximately 50%, which will improve waste water quality discharged to the treatment system. This will make the treatment system more effective at treating the remaining effluent that is spray irrigated on fields near the plant. Reducing wastewater solids will also reduce the BOD of the effluent reaching the treatment plant by as much as 20-30%. This in turn will reduce the amount of nitrates in the spray irrigation effluent, thus protecting ground water.

- **Solid Waste Pathway to Sustainability** – NP will dispose of cull potatoes for cattle feed using BMPs as listed in Chapter 800, Department of Agriculture, Food and Rural Resources Office of Agricultural, Natural and Rural Resources Rules Regarding Cull Potatoes.

NP's goal is to utilize 100% of its waste potatoes as cattle feed eliminating the burial of any potatoes that can not be processed. NP will also mentor its suppliers/growers in the proper methods of cull potato disposal with a utilization program to use as many waste potatoes as possible for cattle feed.

C. Measurement Methods

Reporting Progress

NP will report progress towards these goals:

- **Energy Pathway to Sustainability** – Electrical energy consumption will be measured per pound of finished product using a baseline of energy used in 2003.
- **Air and Water Emissions Pathway to Sustainability** – Water use reduction will be measured per pound of finished product using a baseline of water used in 2003.
- **Solid Waste Pathway to Sustainability** – Cull potato utilization will be measured per pound of finished product using a baseline of cull potatoes disposed of in 2003.
- **Environmental Management Pathway to Sustainability** – NP will annually provide a narrative report on progress made toward implementing an EMS. This will be listed on NP's web site at www.natspuds.com
- **Workers and Community Pathway to Sustainability** – NP will meet with employees and the community to keep them informed of the progress in the STEP-UP program. NP will provide a narrative annual report of its activities regarding worker, community, and industry involvement in the STEP-UP Program.

D. Public Involvement

NP will meet with the Community Advisory Committee as stated in Section 2 part A. NP will also post progress in meeting STEP-UP goals on its web site.

E. Mentoring

NP will help mentor another business on its journey toward sustainability. NP will work with DEP to find an appropriate business to mentor.

F. Relationship

NP will work closely with the DEP to achieve its sustainability goals by complying with regulatory requirements while working to find mutually agreeable solutions to issues that may stand in the way of achieving its environmental improvement goals.

NP requests that its DEP STEP-UP Program contact attend Community Advisory Committee meetings at which progress toward sustainability goals will be discussed and adjustments made to NP's goals as necessary.

Maine DEP will make staff available to NP for technical and regulatory assistance. The assistance will be provided consistent with existing State law and agency policy. DEP will provide technical assistance to develop the EMS plan.

Maine DEP expects to forgo civil penalties for certain types of first time violations discovered in the process of providing assistance or disclosed as a result of compliance audits performed by NP when NP corrects the non-compliant condition within the shortest practicable time period, and in all cases within 90 days of discovery. Violations excluded from the provision are those listed in Maine DEP's Small Business Compliance Incentives Policy Section 111 (as amended February 14, 1996) and its Supplemental Environmental Projects Policy, Section V (as amended June 15 2000). Regular or necessary compliance inspection performed as part of day-to-day business by Maine DEP are not subject to these provisions.

G. Recognition

Maine DEP will recognize NP's participation in the STEP-UP Program by including specific information on the STEP-UP Web Page maintained by the State, and in press releases from time-to-time to keep the general public informed of NP's status in the program. NP will also receive a Governor's Award for Environmental Excellence without the need for application when any Sustainability Goal detailed in this agreement is achieved.

3. REPORTING

NP will submit an annual progress report to the DEP citing accomplishments towards sustainability goals and identifying any need to adjust goals. The report will also assess the effectiveness of the relationship between DEP and NP and recommend changes that might be needed.

4. TERMINATION

Either party to this Agreement may terminate the participation of NP in the STEP-UP Program with 30-days notice to the other party.

Witness here today, November 7, 2003 that the undersigned parties enter into this agreement.

John E. Baldacci, Governor State of Maine

Rodney McCrum, President
Naturally Potatoes